

Mr Warwick Anderson
General Manager
Network Regulation North Branch
Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601

201 Elizabeth Street (cnr Park St)
PO Box A1000 Sydney South
New South Wales 1235 Australia
Facsimile (02) 9284 3456
Telephone (02) 9284 3000
Web <http://www.transgrid.com.au>
DX 1122 Sydney

Dear Sir

Proposed service target performance incentive scheme version 3 (November 2010)

Thank you for the opportunity to comment on the above mentioned proposed service target performance scheme (version 3).

As TransGrid understands the relevant arrangements under the National Electricity Law and Rules, this new incentive scheme (version 3) has effect in relation to TransGrid from the commencement of TransGrid's next revenue control period on 1 July 2014. In the interim, TransGrid's current service target performance incentive scheme as set out in TransGrid's current revenue cap decision, and the Service Performance Incentive Scheme referred to in that decision, will continue to apply to TransGrid.

TransGrid notes that the proposed incentive scheme (version 3) does not appear to be materially different from TransGrid's current service target performance incentive scheme in the manner in which it will be applied to TransGrid.

For these reasons TransGrid has no concerns with the proposed new scheme.

Yours sincerely

Philip Gall 21/1/2011

Philip Gall
General Manager/Corporate and Regulatory Strategy

